

This Opinion is Not a  
Precedent of the TTAB

Mailed: September 29, 2022

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board  
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*Galperti, Inc.*  
*v.*  
*Galperti S.r.l.*  
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Cancellation No. 92057016

On Remand  
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Theodore H. Davis Jr. of Kilpatrick, Townsend & Stockton, LLP; Bethany R. Nelson, Melissa Davis, Jennifer S. Sickler, and Megan H. Schmid of Thompson & Knight LLP for Galperti, Inc.

Paolo A. Strino and Wendy R. Stein of Gibbons P.C.; Jonathon Brugh Lower for Galperti S.r.l.

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Before Cataldo, Lykos and Coggins,  
Administrative Trademark Judges.

Opinion by Lykos, Administrative Trademark Judge:

This case now comes before the Board upon vacatur and remand by the U.S. Court of Appeals for the Federal Circuit (“Court”) issued November 12, 2021.

By way of background, on April 4, 2013, Galperti, Inc. (“Petitioner”), a U.S. corporation organized under the laws of Texas, sought to cancel the registration of Galperti S.r.l. (“Respondent”), a limited liability company located in Italy, for the mark GALPERTI in standard characters for “[i]ronmongery in the form of metal

hardware, namely, flanges, ring-shaped fittings of metal, and forgings” in International Class 6.<sup>1</sup> The mark is registered on the Principal Register under Trademark Act Section 2(f), 15 U.S.C. § 1052(f),<sup>2</sup> based on an averment made September 26, 2007, by Respondent’s counsel on its behalf that the mark had become “distinctive of the goods listed in the application through the Applicant’s substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement.”<sup>3</sup> In further support of its claim of

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<sup>1</sup> Registration No. 3411812, registered on April 15, 2008, under Section 66(a) of the Trademark Act, 15 U.S.C. § 1141f (“Madrid Protocol”), based on International Registration No. 0912218 issued November 23, 2006, with a priority claim date of September 28, 2006; Section 71 accepted on April 26, 2018.

Citations to the prosecution history of the registration in the USPTO’s Trademark Status & Document Retrieval (“TSDR”) database are to the downloadable .pdf version and identify documents by title and date. *See, e.g., In re Peace Love World Live, LLC*, 127 USPQ2d 1400, 1402 n.4 (TTAB 2018).

Citations to the record include references to publicly available documents on TTABVUE, the Board’s online docketing system. The number preceding “TTABVUE” corresponds to the docket entry number; the number(s) following “TTABVUE” refer to the page number(s) of that particular docket entry. *See Turdin v. Trilobite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014). Only the docket entry number is provided for portions of the record designated confidential.

As noted in the Board’s original opinion in this case, *see* 100 TTABVUE 15-16, both parties improperly designated as confidential portions of the record critical to determination of the issues presented, hindering the Board’s ability to issue an incisive opinion in this case. The Board may treat as not confidential that material which cannot reasonably be considered confidential, notwithstanding a designation as such by a party. Trademark Rule 2.116(g), 37 C.F.R. § 2.116(g). *See, e.g., Couch/Braunsdorf Affinity, Inc. v. 12 Interactive, LLC*, 110 USPQ2d 1458, 1461 (TTAB 2014) (“[I]n rendering our decision, we will not be bound by petitioner’s designations and in this opinion, we will treat only testimony and evidence that is clearly of a private nature or commercially sensitive as confidential.”).

<sup>2</sup> Section 2(f) of the Trademark Act provides that “nothing ... shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods [or services] in commerce.” 15 U.S.C. § 1052(f).

<sup>3</sup> September 26, 2007 Response to Office Action, p. 1.

acquired distinctiveness, Respondent's Managing Director, Dina Galperti, submitted the following declaration which states in relevant part:

GALPERTI S.R.L. has used the mark in interstate commerce or commerce with the United States since 1965. ¶ 2.

GALPERTI S.R.L.'s estimated dollar sale under the mark through [sic] 1965 is in excess of \$ [4,000,000] each year. ¶ 4.

GALPERTI S.R.L.'s estimated advertising expenditures under the mark through the end of 2006, including advertising, literature and trade shows, is in excess of \$ [200,000]. ¶ 5.

GALPERTI S.R.L.'s customers have come to associate the source of its flanges, forgings and rings and related goods with Applicant by means of extensive exposure to the GALPERTI mark, and as a result, said mark has become distinctive. ¶ 7.<sup>4</sup>

The amendment under Section 2(f) was made following a refusal to register the mark on the Principal Register on the ground that the mark is primarily merely a surname within the meaning of Trademark Act Section 2(e)(4), 15 U.S.C. § 1052(e)(4), and therefore not inherently distinctive.

As set forth in the Second Amended Petition to Cancel,<sup>5</sup> Petitioner asserted a claim of likelihood of confusion under Section 2(d) of the Trademark Act, 15 U.S.C. § 1052(d), based on Petitioner's alleged prior common law rights in the mark GALPERTI and variations thereof "[s]ince at least as early as 1978 ... in connection with the manufacture, marketing, and sale of flanges, swivel ring assemblies, buckle

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<sup>4</sup> September 26, 2007 Response to Office Action, pp. 9-10.

<sup>5</sup> The operative complaint in this proceeding is Petitioner's second amended complaint filed March 31, 2014. 21 TTABVUE 2-8.

arrestors, rolled rings, and other forged products.” Second Amended Petition to Cancel ¶ 5; 21 TTABVUE 2-3. In addition, Petitioner alleged that Respondent’s Section 2(f) declaration submitted in connection with the underlying application that issued as U.S. Registration No. 3411812 fraudulently misrepresented to the USPTO that Respondent had made “substantially *exclusive* and continuous use” of the GALPERTI mark in commerce since 1965, (*id.* at ¶ 10; 21 TTABVUE 4-5; italics by Petitioner) and that Respondent fraudulently claimed to be the owner of the word mark GALPERTI. *Id.* at ¶ 13.<sup>6</sup> In connection with the fraud claim, Petitioner alleged:

During the examination of Registrant’s application, the Examining Attorney refused to register the mark under Section 2(e)(4), alleging that the “GALPERTI” mark is primarily a surname. In a responsive action, Registrant submitted a claim of acquired distinctiveness under Trademark Act Section 2(f), supported by an attached declaration executed by Registrant’s Managing Director. The Declaration fraudulently and knowingly misrepresented that Registrant had “substantially *exclusive* and continuous use” of the mark in interstate commerce within the United States since 1965 with an intent to deceive the USPTO. Publicly available records show that Registrant did not use the GALPERTI mark in interstate commerce in the United States until 1993 or later. Registrant filed the application for the contested registration for the GALPERTI word mark about a week after the parties settled state court litigation over rights to the trademark GALPERTI in the United States. During that litigation, Registrant testified under oath that it sold flanges in the U.S. since only 1993. As part of the settlement of that case, Registrant agreed to use a distinctive design mark for GALPERTI in order to avoid confusion in the marketplace. Registrant did not obtain the right to use Petitioner’s word mark GALPERTI through the litigation, and therefore had no right to file the

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<sup>6</sup> 21 TTABVUE 5-6.

application, or to claim that it had “substantially *exclusive* and continuous use” of the mark. ... *Id.* at ¶ 10; 21 TTABVUE 4-5.

Registrant’s registration of the GALPERTI mark constitutes a fraudulent registration in violation of 15 U.S.C. §§1120 and 1064(3), because Registrant knowingly made a false material representation of fact with intent to deceive the United States Patent and Trademark Office by stating under oath that it was the owner of the GALPERTI mark with full knowledge that Petitioner was already using the GALPERTI mark in the United States for the same goods and services. ... *Id.* at ¶ 13; 21 TTABVUE 5.

On August 31, 2018, the Board denied the petition to cancel. 100 TTABVUE (“Final Decision”). With regard to the Section 2(d) claim, the Board held that Petitioner failed to prove by a preponderance of the evidence a prior proprietary interest in the trademark GALPERTI.<sup>7</sup> As to the fraud claim, the Board found that Petitioner failed to prove that Respondent made a false statement of substantially exclusive use in U.S. commerce of the mark GALPERTI in connection with the identified goods in its Section 2(f) statement. The Board did not reach the issues of materiality and intent. *Id.* at 53-60. Petitioner did not pursue the claim of non-ownership so the Board deemed that claim waived. *Id.* at 4-5 n.6.

On appeal, the Court affirmed the Board’s conclusions that Petitioner failed to demonstrate prior common law rights in the GALPERTI mark under Section 2(d) and that the parties did not try the issue of priority through Petitioner’s trade name use by implied consent under Fed. R. Civ. P. 15(b)(2). *Galperti, Inc. v. Galperti S.R.L.*,

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<sup>7</sup> The Board, noting that the equitable defense of laches does not apply to fraud claims, dismissed Respondent’s affirmative defense of laches. The Board further deemed the defense as moot in light the Board’s dismissal of Petitioner’s Section 2(d) claim. *Id.* at 53. Respondent’s other pleaded affirmative defenses were deemed waived. *Id.* at 5 n.7.

791 F. App'x 905, 2019 USPQ2d 435065 (Fed. Cir. 2019) (“Remand Order I”). The Court, however, disagreed with the dismissal of Petitioner’s fraud claim, finding the Board’s analysis erroneous:

[The Board] correctly stated that [Respondent’s] “knowledge of other players in the marketplace does not make the September 26, 2007 averment of ‘substantially exclusive’ use of the GALPERTI mark per se false.” The Board committed legal error, however, by stopping its analysis at that point and concluding that because [Respondent’s] statement was not “per se” false, it was not false. The Board failed to conduct the next, necessary, step: analyzing whether [Petitioner’s] use of the mark was “significant” enough to make [Respondent’s] claim false, or whether it was “inconsequential” such that [Respondent’s] claim of “substantially exclusive” use was not false.

*Id.* at \*4-5 (citation omitted). Thus, the Court vacated-in-part our decision and remanded for further proceedings. *Id.* at \*5. The Court directed that the Board “[o]n the issue of falsity, ... consider the significance of [Petitioner’s] use of the GALPERTI mark to determine whether [Registrant’s] claim of ‘substantially exclusive’ use was false.” *Id.*

Upon remand, the Board concluded that Respondent’s Section 2(f) statement of substantially exclusive use of the mark GALPERTI was not false. (“Remand Decision”).<sup>8</sup> The Board noted that Petitioner failed to demonstrate a prior proprietary interest in the mark GALPERTI and that any purported use by Petitioner was “inconsequential.”<sup>9</sup> The Board further found that because *Officine Nicolas Galperti e*

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<sup>8</sup> Remand Decision dated August 4, 2020, following Remand Order I; 110 TTABVUE.

<sup>9</sup> *Id.* at 9-15.

Figlio, S.p.A., Petitioner's co-plaintiff in the Texas state litigation, and Galperti Engineering and Flow Control S.p.A. were neither predecessors nor successors in interest but rather affiliates vis-à-vis Petitioner, any common law use by Officine Nicola Galperti e Figlio S.p.A. or Galperti Engineering and Flow Control S.p.A. did not inure to Petitioner's benefit.<sup>10</sup>

On Petitioner's second appeal to the Federal Circuit, the Court found that "in finding no falsity of [Respondent's] assertion of substantially exclusive use from 2002 to 2007, the Board committed two legal errors: [1] requiring [Petitioner] to establish its own proprietary rights to the mark and [2] disregarding use of the mark by others during the period at issue." *Galperti, Inc. v. Galperti S.R.L.*, 17 F.4th 1144, 2021 USPQ2d 1115, at \*1 (Fed. Cir. 2021) ("Remand Order II"). The Court vacated the Board's decision and remanded for further consideration. In reaching this conclusion, the Court explained:

If evidence of uses lacking secondary meaning is pertinent under Section 2(f), the evidence is pertinent to showing the falsity of the assertion made by [Respondent] using the statutory language in order to meet the Section 2(f) standard. ...

The Board also erred in its related requirement that [Petitioner] had to demonstrate privity with other users of the mark during the 2002-2007 period at issue to rely on those uses to show falsity of Galperti-Italy's claim of substantially exclusive use.

*Id.* at \*5. The Court also noted that the Board did not reach the issue of intent.

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<sup>10</sup> *Id.* at 10-11.

Our analysis and conclusion on the second remand follows, with the Board also now addressing the remaining elements of a fraud claim, including intent.

### **I. Fraud**

Fraud in procuring a trademark registration occurs when a registrant knowingly makes a false, material representation with the intent to deceive the USPTO. *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009). A party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. *Id.* at 1939 (citing *W.D. Byron & Sons, Inc. v. Stein Bros. Mfg. Co.*, 377 F.2d 1001, 153 USPQ 749, 750 (CCPA 1967)). Indeed, “the very nature of the charge of fraud requires that it be proven ‘to the hilt’ with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.” *Id.* (quoting *Smith Int’l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (TTAB 1981)). The Board will not find fraud if the evidence shows that a false statement was made with a reasonable and honest belief that it was true, rather than intent to mislead the USPTO into issuing a registration to which the applicant was not otherwise entitled. *See id.*; *see also Woodstock’s Enters. Inc. (Cal.) v. Woodstock’s Enters. Inc. (Or.)*, 43 USPQ2d 1440, 1443 (TTAB 1997), *aff’d (unpub’d)*, Appeal No. 97-1580 (Fed. Cir. Mar. 5, 1998).

As noted earlier, the USPTO initially refused registration of Respondent’s word mark GALPERTI as primarily merely a surname pursuant to Trademark Act Section 2(e)(4). In order to overcome the refusal, Respondent amended its application to seek registration on the Principal Register under Section 2(f) based on a claim of acquired distinctiveness. Respondent averred through a statement made by its former counsel

that the mark had become “distinctive of the goods listed in the application through the Applicant’s substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement.”<sup>11</sup> The Section 2(f) claim was ultimately accepted by the Trademark Examining Attorney and the surname refusal was withdrawn.

Petitioner’s fraud claim is predicated in part on the supposition that Respondent knowingly made false, material misrepresentations with the intent to deceive the USPTO in alleging “substantially exclusive and continuous” use of the GALPERTI word mark. Insofar as this statement was made on September 26, 2007, the relevant five-year time period for determining whether the statement of “substantially exclusive and continuous use in commerce” was false is September 26, 2002 to September 26, 2007.

In 2005, Petitioner, along with Officine Nicola Galperti e Figlio, S.p.A. as co-plaintiff, initiated a lawsuit against Respondent in the 129th Judicial District of Harris County, Texas (Case No. 2005-47073).<sup>12</sup> Petitioner points to Respondent’s filing of the underlying application shortly after dismissal of the Texas litigation as a violation of the parties’ purported settlement agreement that Respondent would use

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<sup>11</sup> September 26, 2007 Response to Office Action, p. 1.

<sup>12</sup> See Dina Galperti Dep., Ex. 11 (Transcript of October 9, 2006 “Motion to Extend TRO Motion for Temporary Injunction” with exhibits); 72 TTABVUE 320-475. Neither party submitted the pleadings from the Texas civil suit so we are assuming that the lawsuit was initiated in 2005 based on the documents we have before us. From what we can glean from the record, Petitioner and its co-plaintiff sought and obtained a temporary restraining order against Respondent under Texas state law; however, the court denied the plaintiffs’ motion for a permanent injunction. Galperti Dep. Ex. 11 (Transcript of October 9, 2006 “Motion to Extend TRO Motion for Temporary Injunction” with exhibits), *passim*; 72 TTABVUE 320-475.

a composite mark with word and design elements to distinguish Respondent's goods from Petitioner's goods. Petitioner also cites Ms. Galperti's testimony in the Texas litigation admitting knowledge of Petitioner's presence in the U.S. market and of its sales of flanges in the U.S. for over 30 years. In addition, Petitioner highlights that the application underlying Respondent's registration shows that the Examining Attorney attached as evidence in support of the surname refusal a website excerpt from Petitioner's affiliate Officine Nicola Galperti e Figlio, S.p.A. based on the mistaken assumption that it was Respondent's own website, and that Respondent failed to point out this discrepancy to the Examining Attorney. These assertions that Respondent failed to adhere to a settlement agreement and failed to correct the Examining Attorney's misunderstanding of the website excerpt are considered *infra*.

Petitioner contends that the false statements made by Respondent's counsel and Ms. Galperti regarding substantially exclusive use of the GALPERTI mark were material because it is unlikely that the Examining Attorney would have approved the application had she known about Petitioner's alleged substantial use in U.S. commerce of its pleaded mark. In further support, Petitioner asserts that, had Respondent pointed out the Examining Attorney's mistake regarding the website excerpt and disclosed that Petitioner or its affiliate was another entity using the GALPERTI mark in the United States Respondent's claim of acquired distinctiveness would not have been accepted and the GALPERTI mark would not have been registered.

We now address each element of Petitioner's fraud claim in turn.

**A. Was the Statement of “Substantially Exclusive” Use of the GALPERTI Mark in Commerce False?**

The first element of fraud requires Petitioner to prove, by clear and convincing evidence, that Respondent made a false representation to the USPTO. According to the statutory language of Section 2(f), Respondent’s five years of use in commerce of a mark as of the declaration date does not have to be exclusive, but must be “substantially” exclusive.<sup>13</sup> Thus, in this case, “[a] pleading of fraud ... requires a showing of the extent of third party uses known to [Respondent] at the time it filed its Section 2(f) affidavit.” *Marshall Field & Co. v. Mrs. Fields Cookies*, 11 USPQ2d 1355, 1359 (TTAB 1989). Both parties operate in a niche industry, offering highly-specialized and often customized products for use in the oil and gas, chemical and petrochemical industries. Ms. Dina Galperti, Respondent’s President testified that because the parties operate in a specialized, niche market, “all operators know each other, all operators in the world know each other.”<sup>14</sup> Moreover, given the parties’ prior involvement in civil litigation, Respondent and its President were well aware of Petitioner and its affiliate Officine Nicola Galperti e Figlio, S.p.A. (which was co-plaintiff in the civil suit) and their presence in the U.S. marketplace at the time the

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<sup>13</sup> Section 2(f) of Trademark Act states in relevant part:

The Director may accept as prima facie evidence that the mark has become distinctive, as used on or in connection with the applicant’s goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years before the date on which the claim of distinctiveness is made.

<sup>14</sup> Galperti Dep. 27:15-25, 72 TTABVUE 31.

Section 2(f) claim of “substantially exclusive” use of the GALPERTI mark was made.

In Remand Order I, the Federal Circuit explained that the key analysis is “whether [Petitioner’s] use of the mark was ‘significant’ enough to make [Respondent’s] claim false, or whether it was ‘inconsequential’ such that [Respondent’s] claim of ‘substantially exclusive’ use was not false.” Remand Order I, 2019 USPQ2d 435065, at \*5. In Remand Order II, the Court further clarified “that even marketplace uses of a term lacking secondary meaning for the users are among the uses that legitimately play [a] role” “as undermining a claim of acquired distinctiveness of a term based on substantially exclusive use of the term as a mark for the statutory five-year period.” Remand Order II, 2021 USPQ2d 1115, at \*4. Such evidence of “marketplace uses” without secondary meaning are “pertinent to showing the falsity of the assertion made by [Respondent] using the statutory language in order to meet the Section 2(f) standard.” *Id.* at \*5. Respondent’s averment of “substantially exclusive and continuous” use for at least five years was made on September 26, 2007, meaning the time frame for assessing the exclusivity of Respondent’s use is September 26, 2002 through September 26, 2007.

There is evidence Petitioner<sup>15</sup> and its affiliate Officine Nicola Galperti e Figlio, S.p.A.<sup>16</sup> used the “Galperti” mark or a variation thereof during this time period. Before we address the significance of that use, we note two key limitations on what evidence is relevant to this claim. First, some of Petitioner’s evidence is outside the time period. While uses just before or after the time period could be relevant (i.e.,

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<sup>15</sup> Sander Dep. 62:23-63:7; 47 TTABVUE 66.

<sup>16</sup> Sander Dep. 58:10–18, Exhibit 47; 47 TTABVUE 66.

such use might be circumstantial evidence of use during the period), Petitioner submitted evidence from several years before the relevant period. That evidence is of extremely limited relevance to an assessment of the truth of Respondent's claim of substantially exclusive use. Second, only uses that expose the mark to consumers in the United States are relevant. *See, e.g., In re Etablissements Darty et Fils*, 759 F.2d 15, 225 USPQ 652, 654 (Fed. Cir. 1985) (Board considered, among other evidence, U.S. telephone directories to determine whether DARTY was primarily merely a surname); *In re tapio GmbH*, 2020 USPQ2d 11387, at \*8 n.31 (TTAB 2020) (evidence of individuals with the surname "Tapio" residing in Finland of little probative value). Uses on internal test documents or uses made wholly outside the United States have no bearing on the accuracy of Respondent's claim of substantially exclusive use.

Petitioner submitted, for example, confidential<sup>17</sup> material test reports for the years 1998, 2000, and 2004-2006 and 2015<sup>18</sup> issued by Galperti Engineering and Flow Control, S.r.l.; confidential customer drawings from the year 1995<sup>19</sup> displaying various trade names, including Galperti & Ryan, Inc.; confidential customer drawings during the years 1996 through 2000<sup>20</sup> showing the trade name Galperti & Ryan, Inc.;

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<sup>17</sup> It is somewhat incongruous to submit confidential internal documents to rebut a claim of substantially exclusive use. The very fact that these documents were confidential strongly suggests they had no impact on consumer perception of the GALPERTI mark. A review of the actual evidence confirms this point. Petitioner did not prove that any of these internal documents ever reached consumers.

<sup>18</sup> Sander Dep., 11:12-20, 12:13-21, Exs. 3 and 4 (confidential); 47 TTABVUE 84-85, and 49 TTABVUE.

<sup>19</sup> Sander Dep., Ex. 42 (confidential); 54 TTABVUE.

<sup>20</sup> Sander Dep., Ex. 31 (confidential); 51 TTABVUE.

confidential customer files for AC Central/Canada<sup>21</sup> for the years 1996 to 1997<sup>22</sup> consisting of correspondence between Galperti & Ryan, Inc. and a customer; and confidential files containing customer orders in 1996<sup>23</sup> showing Galperti & Ryan, Inc. used as a trade name on purchase orders. None of this evidence is relevant to the determination of whether Respondent's five-year substantially exclusive use claim was true.

Thus, based on the record before us, we have a total of at least three entities with marketplace uses of the term GALPERTI during the operative time period: (1) Respondent, (2) Petitioner, and (3) Officine Nicola Galperti e Figlio, S.p.A. We turn now to the question of whether the relevant uses by the latter two parties were "significant" or "inconsequential" during the relevant time period.

As previously explained by the Federal Circuit in Remand Orders I and II, *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 52 USPQ2d 1307, 1309 (Fed. Cir. 1999) ("*Kichler*") makes clear the importance of evidence of uses other than by the applicant claiming substantially exclusive use, and in particular whether "any use by a third party was 'significant,' or whether it was merely 'inconsequential or infringing.'" Remand Order I, 2019 USPQ2d 435065, at \*4 and Remand Order II, 2021 USPQ2d 1115, at \*2 (quoting *Kichler, supra*, at 1352). In that case, Kichler obtained a trademark registration for the configuration of a "racetrack backplate" used to mount light fixtures on a wall. During prosecution of its application, Kichler's president filed

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<sup>21</sup> Petitioner partially waived confidential designation of this exhibit by including the customer name in its brief.

<sup>22</sup> Sander Dep., Ex. 32 (confidential); 53 TTABVUE.

<sup>23</sup> Sander Dep., Exs. 34, 35, 36, and 37 (confidential); 54 TTABVUE.

a Section 2(f) declaration stating that Kichler had “substantially exclusive and continuous” use of the racetrack backplate for five years prior to the execution date. At the time, there were at least three other companies that sold similar backplates. The record developed at trial however did not reflect the volume of sales for any of the other companies. The district court found on summary judgment that because other companies were selling racetrack backplates, Kichler’s use of the mark was not substantially exclusive and therefore its Section 2(f) declaration was false. The Court reversed the district court’s decision sustaining the fraud claim in connection with Kichler’s Section 2(f) declaration because “there was no analysis of the extent of these sales.” *Id. Kichler* makes clear that we must have some evidence of the volume of the other uses to determine what impact, if any, those uses had on consumers.

The Board has reached similar conclusions in its own precedents. For example, in *Nextel Commc’ns, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393, 1408 (TTAB 2009), we stated, “What is perhaps the most damaging to applicant’s case for acquired distinctiveness is that the record establishes that opposer has been extensively using the [alleged mark] in advertisements in connection with its services for a number of years.” Similarly, in *Target Brands, Inc. v. Hughes*, 85 USPQ2d 1676, 1682-83 (TTAB 2007), we found substantial use of a mark by opposer’s parent company and additional use of the mark by numerous third parties “seriously undercuts if not nullifies applicant’s claim of acquired distinctiveness.”

With these precedents in mind, we now re-examine the record to determine the extent of Petitioner’s and third-party Officine Nicola Galperti e Figlio, S.p.A.’s U.S. sales. Petitioner’s sole trial witness, its President Mr. Scott Sander, testified upon

written questions to the following:

**Q:** When did Galperti, Inc. begin using the Galperti trademark and tradename in the United States?

**A:** By 1978, and perhaps as early as 1976.

**Q:** Has Galperti, Inc.'s use of the Galperti trademark and tradename been continuous and extensive from 1978 to the present time through Galperti, Inc. and its predecessor companies?

**A:** Yes. Galperti's use of Galperti trademark and tradename in the U.S. began as early – at least as early as 1978. The trademark use has been continuous and extensive in the U.S. from 1978 to the present, or about 37 years.<sup>24</sup>

Mr. Sander's testimony regarding trade name use is not relevant, because use of the purported trade name was neither pleaded nor tried by implied consent; and his testimony was devoid of any narrative or chronology detailing the extent of Petitioner's common law use in Petitioner's pleaded "GALPERTI marks."<sup>25</sup> He merely offered the conclusory statement that Petitioner's use was "continuous and extensive."<sup>26</sup> Due to the paucity of specifics, we are unable to conclude from Mr. Sander's deposition on written questions that Petitioner's use of any of its pleaded "GALPERTI marks" was "significant" during the relevant time period of September 26, 2002 through September 26, 2007.

Petitioner alternatively relied on its pending application file history to assert use

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<sup>24</sup> Sander Dep. 62:23-63:7; 47 TTABVUE 65-66.

<sup>25</sup> For a more detailed discussion of this issue, see Final Decision, 100 TTABVUE 24-28.

<sup>26</sup> *See id.*

of its applied-for composite GALPERTI word and design mark since at least as early as 2006.<sup>27</sup> Aside from the fact that Petitioner's pending application was not made of record, statements made in an application regarding dates of use are not evidence of use in an inter partes proceeding unless otherwise established by competent evidence. Trademark Rule 2.122(b)(2), 37 C.F.R. § 2.122(b)(2) ("The allegation in an application for registration, or in a registration, of a date of use is not evidence on behalf of the applicant or registrant; a date of use of a mark must be established by competent evidence.").<sup>28</sup> Mr. Sander did authenticate and introduce into the record "the cover of [Petitioner's] company brochure" displaying "the same mark covered by our application."<sup>29</sup> The brochure, however, is undated, and Mr. Sander failed to provide the date of use. Equally problematic, the mark on the brochure cover does not demonstrate use in connection with any of Petitioner's pleaded goods or services. Mr. Sander also authenticated and introduced into the record a printout of Petitioner's website displaying the design element of Petitioner's applied-for composite mark as well as the wording "The Original."<sup>30</sup> Aside from the fact that the website printout is dated 2013, making it outside of the relevant time period, the design marks displayed on the first page of the website do not include GALPERTI as an element. While GALPERTI may appear associated with the design element on marks on Petitioner's building and lawn sign (see third page of the website at 47 TTABVUE 77), neither of

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<sup>27</sup> 100 TTABVUE 45.

<sup>28</sup> *Id.*

<sup>29</sup> Sander Dep., 9:12-10:10, Ex. 1; 47 TTABVUE 12-13, 73-74.

<sup>30</sup> Sander Dep., 10:17-11:9, Ex. 2; 47 TTABVUE 13-14, 75-83.

these examples of the mark is fully legible.

We can ascertain from other parts of the record that Petitioner has used its mark in connection with “[f]langes of any kind and forgings, including, but not limited to, orifice flanges, anchor flanges, swivel ring assemblies, buckle arrestors, and rolled rings.”<sup>31</sup> We have no testimony or documentary evidence, however, specifying the extent or volume of U.S. sales of such goods under the GALPERTI mark or variations thereof. The most relevant evidence regarding the extent of Petitioner’s use is annual sales figures as stated below from Petitioner’s interrogatory responses:<sup>32</sup>

- at least \$ 9.8 million under the Galperti marks in 2002;
- at least \$10.0 million under the Galperti marks in 2003;
- at least \$15.1 million under the Galperti marks in 2004;
- at least \$24.7 million under the Galperti marks in 2005;
- at least \$38.1 million under the Galperti marks in 2006;
- at least \$50.1 million under the Galperti marks in 2007.

A shortcoming, however, is that Petitioner’s interrogatory responses do not associate any of the dollar figures with a specific GALPERTI trademark or GALPERTI-branded product. For this reason, we are unable to gauge, even in this niche market, whether

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<sup>31</sup> Petitioner’s Response to Respondent’s Interrogatory No. 5 at 74 TTABVUE (confidential).

<sup>32</sup> Sander Dep., 58:10–60:15, Ex. 47, Response to Interrogatory Nos. 7 and 8; 54 TTABVUE (confidential). As mentioned in the Board’s original opinion, Respondent objected under Trademark Rule 2.120(k)(5), 37 C.F.R. § 2.120(k)(5), and also on the ground that the responses constitute inadmissible hearsay, to Mr. Sander’s introduction into the record as Ex. 47 to his testimony of Petitioner’s responses to Respondent’s first set of interrogatories. Insofar as Respondent itself also submitted Petitioner’s responses under notice of reliance during its assigned testimony period, the Board ruled that Respondent’s objection was moot. *See* 100 TTABVUE 14-15.

Petitioner's use of the mark was "significant," i.e., not "inconsequential," as compared to Respondent's U.S. sales for that same time period.<sup>33</sup> *Compare DeWalt, Inc. v. Magna Power Tool Corp.*, 289 F.2d 656, 48 CCPA 909, 129 USPQ 275, 279 (CCPA 1961) (Court affirmed Board's decision sustaining opposer's claim that applicant's use of the merely descriptive term "power shop" could not be "substantially exclusive" under Section 2(f); "[t]his would seem to be an impossibility in view of [opposer's] millions of competitive and continuing uses of 'power shop.'"). We make the same finding as to Officine Nicola Galperti e Figlio, S.p.A. since we have no evidence in the record regarding the extent of Officine Nicola Galperti e Figlio, S.p.A.'s use in the United States during the relevant time period.<sup>34</sup>

We therefore find that on this record that Petitioner has not demonstrated that Respondent's averment of "substantially exclusive and continuous" use for at least five years prior to September 26, 2007, was false.

In view of this determination, the third element for fraud, knowledge of the falsity of the statements, is moot. Notwithstanding our finding of lack of falsity, we still address the question of materiality of the asserted false statement.

#### **B. Were the Statements Material?**

Another critical element of fraud is that any false representation must be "material." A false representation by a party in its Section 2(f) declaration of five years of "substantially exclusive and continuous" use made to overcome a refusal is

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<sup>33</sup> See *infra* pp. 2-3.

<sup>34</sup> Purported predecessors and successors of Petitioner were referenced in a detailed discussion of a chain of title issue, see Final Decision, 100 TTABVUE 34-43, but there is no evidence of record regarding the use by any of them.

material. *Marshall Field*, 11 USPQ2d at 1357 (“While we agree with plaintiff that there is no duty to specify the names of third party users, unless asked for such information by the Examiner, the oath, on the other hand, must be truthful, and if it is shown that no reasonable person knowingly could represent that its use of a mark was ‘substantially exclusive,’ the signing of a declaration attesting to so material a misrepresentation would, in our opinion, if relied upon by the Examiner, constitute fraud on the Patent Office.”). Accordingly, although we find that Petitioner has not demonstrated that Respondent’s statement of “substantially exclusive” use was false, that statement was material to the registrability of the mark.

Petitioner’s fraud claim is also predicated in part on the purportedly false statement Ms. Galperti made in her declaration submitted in support of Respondent’s claim of acquired distinctiveness that Respondent had used the mark in U.S. interstate commerce since 1965. Petitioner contends that this statement directly contradicts Ms. Galperti’s testimony in the Texas civil suit that Respondent’s first U.S. sales of flanges did not occur until much later in 1993, and that this alleged misrepresentation was material to the Examining Attorney’s decision to accept Respondent’s amendment to register the mark under Section 2(f).

We find otherwise. Ms. Galperti’s statement of use in U.S. commerce since 1965 was not material because it fell outside the relevant time period. As acknowledged by the Court the relevant time period was the five years preceding the statutory averment of “substantially exclusive and continuous use.” The Court observed that Respondent

made its assertion of ‘substantially exclusive use’ of GALPERTI **(in the specified 2002-2007 period)** specifically in order to invoke Lanham Act Section 2(f)’s authorization to rely on “substantially exclusive and continuous use . . . as a mark” for the five preceding years to make out a prima facie case of acquired distinctiveness. 15 U.S.C. § 1052(f). The Board thus treated the meaning of [Respondent’s] representation to the PTO in 2007, as intended by [Respondent] and understood by the PTO, as mirroring the statutory provision being invoked.

Remand Order II, 2021 USPQ2d 1115, at \*4 (emphasis added); *see also id.* at \*5 (“The Board also erred in its related requirement that [Petitioner] had to demonstrate privity with other users of the mark **during the 2002-2007 period at issue** to rely on those uses to show falsity of [Respondent’s] claim of substantially exclusive use.”) (emphasis added).

Furthermore, on the ex parte examination record before us, there is no evidence that the Trademark Examining Attorney withdrew the surname refusal and approved Respondent’s amendment seeking registration under Section 2(f) based on Ms. Galperti’s statement that Respondent commenced use in interstate commerce in 1965. The Examining Attorney did not appear to rely on any of the statements Ms. Galperti made in her declaration regarding sales or advertising expenditures under the GALPERTI mark. Rather, as indicated in the Examiner’s Amendment issued prior to approval of the mark for publication in the Official Gazette, the Trademark Examining Attorney accepted “Applicant’s 2(f) claim based on 5 years use” and “[a]ccordingly” withdrew the Section 2(e)(4) refusal.<sup>35</sup> The statement tracking the

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<sup>35</sup> November 13, 2007 Examiner’s Amendment.

statutory language of Section 2(f), that Respondent's mark had become "distinctive of the goods listed in the application through the Applicant's substantially exclusive and continuous use in commerce for at least the five years immediately before the date of this statement," was made on September 26, 2007, making the relevant time period the five years preceding that date. For this reason, on the ex parte examination record before us, whether Respondent began use of the GALPERTI mark in U.S. interstate commerce in 1965 or 1993 was immaterial to the Examining Attorney's decision to allow Respondent's mark to register under Section 2(f). As such, this particular aspect of Petitioner's fraud claim necessarily fails.

Likewise, we find immaterial Respondent's failure to notify the Examining Attorney that the website excerpt from Petitioner's affiliate Officine Nicola Galperti e Figlio, S.p.A. was not Respondent's own website. This evidence merely buttressed the surname refusal, not any reliance by the Examining Attorney on Respondent's claim of distinctiveness under Section 2(f). Indeed, by amending the underlying application to Section 2(f), Respondent conceded that its mark was primarily merely a surname, thereby obviating the refusal. *Cf. The Cold War Museum, Inc. v. Cold War Air Museum, Inc.*, 586 F.3d 1352, 92 USPQ2d 1626, 1629 (Fed. Cir. 2009) ("where an applicant seeks registration on the basis of Section 2(f), the mark's descriptiveness is a nonissue; an applicant's reliance on Section 2(f) during prosecution presumes that the mark is descriptive.").

In light of the above, we find that among Petitioner's various fraud allegations, only the September 26, 2007 statement that the mark had become distinctive through Respondent's "substantially exclusive and continuous use in commerce for at least

the five years immediately before the date of [the] statement” was material. *See Marshall Field*, 11 USPQ2d at 1357.

### **C. Did Respondent Possess the Requisite Intent?**

A final element of a fraud claim is intent. As emphasized in *In re Bose Corp.*, 580 F.3d 1240, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009):

Subjective intent to deceive, however difficult it may be to prove, is an indispensable element in the analysis. Of course, “because direct evidence of deceptive intent is rarely available, such intent can be inferred from indirect and circumstantial evidence. But such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement.” *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 [88 USPQ2d 1001] (Fed. Cir. 2008). When drawing an inference of intent, “the involved conduct, viewed in light of all the evidence ... must indicate sufficient culpability to require a finding of intent to deceive.” *Kingsdown [Med. Consultants, Ltd. v. Hollister Inc.]*, 863 F.2d [867] at 876 [9 USPQ2d 1384 (Fed. Cir. 1988)].

“There is no fraud if a false representation is occasioned by an honest misunderstanding or inadvertence without a willful intent to deceive.” *Bose*, 91 USPQ2d at 1942. “Unless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim.” *Id.*

With this in mind, we will now evaluate Ms. Galperti’s testimony concerning the execution of the declaration of acquired distinctiveness provided to support Respondent’s amendment of its application to rely on Section 2(f), in order to discern whether Respondent knowingly intended to deceive the USPTO. Counsel for Respondent first elicited testimony from Ms. Galperti about the specific nature of her

personal observations which formed the basis for her belief that the statements in the Section 2(f) declaration were indeed true and accurate. Ms. Galperti testified that her family founded the business in Italy in 1740.<sup>36</sup> She testified that she started working for the company when she was young under her father's tutelage, and that upon his death, she became President of the Board of Directors in 1996.<sup>37</sup>

She further testified that based on her personal knowledge, Respondent was using the mark in U.S. commerce as of the application filing date and at least five years prior thereto.<sup>38</sup> When asked, she unequivocally stated that she did not intend to deceive the USPTO when she submitted her declaration in support of a claim of acquired distinctiveness.<sup>39</sup>

**Q:** While preparing and signing the Statement in Exhibit 12, did you intend to deceive the USPTO at any point with regard to the content of that Statement?

**A:** Absolutely not.

...

**Q:** Is it not true that when Galperti S.R.L. filed its application to register the "GALPERTI" mark, you knew that Galperti, Inc. had been using the "GALPERTI" mark in the United States?

**OBJECTION:** The Question is beyond the scope of direct examination.

**A:** When we filed the registration request for the trademark, as per our information, Galperti Inc. was

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<sup>36</sup> Galperti Dep., 19:16-18; 72 TTABVUE 23.

<sup>37</sup> Galperti Dep., 14:18-21-15:1-8, 23-25; 72 TTABVUE 18-19.

<sup>38</sup> Galperti Dep., 53:25 - 54:8; 72 TTABVUE 57-58.

<sup>39</sup> Galperti Dep., 54:4 - 55:5-8 and 197:9-18; 72 TTABVUE 58-59 and 201.

not using the Galperti trademark. And no other entity was using the Galperti trademark.

We find that her testimony shows that at the time the Section 2(f) statement was made, she believed that the statements of “substantially exclusive and continuous” use for at least five years prior to the September 26, 2007 filing date were true.

Another aspect of Petitioner’s fraud claim is that Respondent intentionally deceived the USPTO by registering its mark in contravention to the terms of the parties’ purported agreement settling the civil suit in Texas. Petitioner essentially asks that the Board infer fraudulent intent based on Respondent’s filing of the application that eventually matured into registration of the GALPERTI trademark shortly after the conclusion of the parties’ civil litigation in Texas.

Contrary to Petitioner’s assertion, the record is devoid of evidence that the parties entered into a written settlement agreement restricting Respondent’s use of the GALPERTI mark in the United States. Petitioner in the original briefing of this case argued that Petitioner and Respondent settled this matter by agreeing that in exchange for Petitioner’s payment to Respondent of \$55,000, Respondent would discontinue use of the word mark GALPERTI in the United States and would instead modify its trademark to add design elements in order to distinguish its trademark from Petitioner’s. Petitioner offered no testimony or documentary evidence that a duly executed signed and dated settlement agreement had ever been reached, and in fact, Respondent offered testimony to the contrary, and that the funds were paid to cover legal expenses following dismissal of the suit.<sup>40</sup> Petitioner failed to submit any

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<sup>40</sup> Final Decision, 100 TTABVUE 14, 21.

documentary evidence that the parties agreed to settle the state court litigation by restricting in any way Respondent's use or registration of the word mark GALPERTI in the United States. By contrast, Respondent's President Ms. Galperti emphatically "den[ie]d the existence of any agreement regarding the limitation on the use of the Galperti trademark by Galperti S.r.l."<sup>41</sup> Thus, while formal settlement was perhaps contemplated and discussed, no written, signed and duly executed settlement agreement is in the record before us.<sup>42</sup> According to the record, the Texas state court denied the joint request of Petitioner and its co-plaintiff for an extension of the restraining order.<sup>43</sup> Subsequently, the parties filed a Joint Motion to Dismiss with Prejudice on November 16, 2006.<sup>44</sup> The record further shows that on November 22, 2006, Petitioner reimbursed Respondent \$55,000 for legal expenses incurred in litigating the civil suit, not as a quid pro quo for discontinuing use in the United States of its GALPERTI word mark and making modifications thereto.<sup>45</sup> Ms. Galperti testified that "[t]here was no settlement agreement. Galperti, Inc. paid all legal expenses after we abandoned the proceeding."<sup>46</sup>

Based on the foregoing, we cannot, as Petitioner urges, draw an inference of fraudulent intent to deceive the USPTO. While intent to deceive can be inferred from

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<sup>41</sup> Galperti Dep., 50:4-21, 72 TTABVUE 54.

<sup>42</sup> Galperti Dep., 49:22-23, 50:4-21; 72 TTABVUE 53, 54 (denying the existence of any settlement agreement).

<sup>43</sup> Galperti Dep., 186:17-189:15, Ex. 72 (Harris County, Texas District Court October 10, 2006 "Order Denying [Plaintiffs'] Extension of TRO"); 72 TTABVUE 190-191, 931.

<sup>44</sup> See Sander Dep., Ex. 45 (confidential).

<sup>45</sup> See Galperti Dep., 49:22-23; 72 TTABVUE 53.

<sup>46</sup> *Id.*

indirect and circumstantial evidence, such evidence must still be clear and convincing, and inferences drawn from lesser evidence cannot satisfy the deceptive intent requirement. *Bose*, 91 USPQ2d 1941. Simply put, the record is devoid of evidence that either Respondent's amendment of its application to rely on Section 2(f) or Ms. Galperti's supporting declaration were made with the intent to deceive the Office.

Thus, even if we were to assume that Respondent's statements were false, and that such false representations were material, Petitioner has failed to prove that Respondent had the requisite intent to deceive the USPTO. "Unless the challenger can point to evidence to support an inference of deceptive intent, it has failed to satisfy the clear and convincing evidence standard required to establish a fraud claim." *Bose*, 91 USPQ2d at 1942.

**Decision:** The petition to cancel on the claim of fraud is denied.